

TIF District/Project Status Report
Fiscal Year Ending June 30, 2020
(Pursuant to WV Code 7-11B-15)

Municipality: City of Morgantown
389 Spruce Street
Morgantown, WV 26505

Contact: Emily Muzzarelli, Interim City Manager
304-284-7404/ (fax) 304-284-7430
emuzzarelli@morgantownwv.gov

District: District No. 3 - Sunnyside
Project: Project No.1 – Sunnyside-Up

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1) Aggregate amount and amount by source of revenue | |
| Property taxes - current | \$ 892,084.09 |
| Property taxes - prior year | 75,318.86 |
| Interest and penalties on taxes | 7,403.23 |
| Other revenue | 27,263.51 |
| Interest earned on deposits | <u>7,595.81</u> |
| | \$1,009,665.50 |
| 2) Amount and purpose of expenditures | Attachment 1 |
| 3) Amount of any pledge of revenues, including principal
and interest on any outstanding tax increment financing
indebtedness: | Attachment 2 |
| 4) Base-assessed value of the development/redevelopment
project area: | \$ 75,683,593 |
| 5) Assessed value for the current year of the taxable property
having a tax situs in the development/redevelopment project area: | \$126,861,960 |
| 6) Assessed value added to base-assessed value of the
taxable property having a tax situs in the development/
redevelopment project area: | \$ 51,178,367 |
| 7) Payments made in lieu of taxes received and expended: | \$ 0 |

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 8) Contracts made incidental to the implementation and furtherance of a development/redevelopment project: | Attachment 5 |
| 9) Copy of any development/redevelopment plan, including required findings and cost-benefit analysis: | Attachment 3 |
| 10) Cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired, or remodeled: | None |
| 11) Number of parcels of land acquired by or through the initiation of eminent domain proceedings: | None |
| 12) Number and types of jobs projected by the project developer to be created, estimated annualized wages and benefits to be paid to persons filling those jobs: | Attachment 4 |
| 13) Number, type and duration of jobs created and annualized wages and benefits paid: | Not Available |
| 14) Amount of disbursements from the tax increment financing fund during the most recently completed fiscal year: | \$ 1,067,027.78 |
| 15) Annual statement showing payments made in lieu of taxes received and expended during the fiscal year: | None |
| 16) Status of the development/redevelopment project: | Attachment 6 |
| 17) Amount of outstanding tax increment financing obligations: | |
| Tax Increment Revenue Bonds, Series 2014 | \$ 3,686,000.00 |
| Subordinate Tax Increment Revenue Bonds, Series 2017 | 5,458,995.71 |
| 18) Additional information: | None |

I hereby certify that the information contained in this report, including all attachments, is true and accurate to the best of my knowledge.

9/29/2020
Date


Emily Muzzarelli, Interim City Manager

Project No. 1 - Sunnyside-Up

Attachment 1

2) Amount and purpose of expenditures:

Tax Increment Financing Fund

Payments to Bond Trustee	\$ 974,806.18
Pay as you go Improvements from Surplus TIF Revenues	<u>92,221.60</u>
	<u>\$1,067,027.78</u>

2014 Bond Accounts:

Debt Service (Principal)	\$ 318,000.00
Debt Service (Interest)	105,057.46
Administrative Fees	15,336.25
Transfer to 2017 Subordinate Bond	297,098.51
Transfer to Pay as you go account	<u>\$ 790,000.00</u>
	<u>\$1,525,492.22</u>

2017 Bond Accounts:

Debt Service (Principal)	\$ 161,000.00
Debt Service (Interest)	150,762.03
Improvements	<u>3,326,480.79</u>
	<u>\$3,638,242.82</u>

Project No. 1 - Sunnyside-Up

Attachment 2

District No. 3 – Sunnyside
Project No. 1 – Sunnyside-Up

3) Amount of any pledge of revenues, including principal and interest on any outstanding tax increment financing indebtedness:

DEBT SERVICE ON SERIES 2014 BONDS:

Maturity	2035
Principal	\$ 3,686,000.00
Interest	\$ 546,189.60

DEBT SERVICE ON SERIES 2017 BONDS:

Maturity	2038
Principal	\$ 6,400,000.00
Interest	\$ 3,369,888.72

A. DESCRIPTION OF PROPOSED AMENDMENT

Include a description of how the project fits with the overall development plans for the development or redevelopment project area or district or the overall development plans of the municipality, county, or region.

The TIF District

The ordinance creating the TIF District was enacted by the City Council on December 16, 2008 (the "Original Ordinance"). The TIF District is located in and near the "Sunnyside" district of the City. A map of the TIF District boundaries is provided in **Attachment 1**.

Existing Project Plan

In the Original Ordinance, the City approved a project plan consisting of the development, construction and installation of certain projects within the TIF District, which may be acquired and constructed in several phases, including the following public improvements: waterlines, storm water management culverts and facilities, sanitary sewer lines, road improvements, streetscape systems, traffic control, pedestrian ways and systems, utility relocations, lighting and related infrastructure, land and right-of-way acquisition, demolition and site preparation necessary for and incidental to the construction and installation of public infrastructure improvements (the "Project Plan"). Prior to the adoption by the City of the Original Ordinance, the West Virginia Development Office (the "WVDO") approved a Tax Increment Financing Application for the TIF District and a bonding capacity of \$7,500,000.

Campus Neighborhoods Revitalization Corporation, a West Virginia nonprofit corporation ("CNRC"), serves as developer of the TIF District and has completed two phases of the Project Plan. At the request of CNRC, the City previously issued its \$5,191,000 Tax Increment Revenue and Refunding Bonds Series 2014 (Sunnyside Up Project No. 2) (the "2014 Bonds") to (i) refund its \$1,700,000 Tax Increment Revenue Bonds, Series 2010 (Sunnyside Up Project Plan No. 1), which financed the first phase of the Project Plan; (ii) finance the second phase of the Project Plan, (iii) fund a debt service reserve fund and (iv) pay costs of issuing the 2014 Bonds.

Amendment to the Project Plan

CNRC is proposing to amend the Project Plan to include the development of additional phases of the Project Plan and increasing the bonding capacity granted by the WVDO from \$7,500,000 to \$15,000,000 to facilitate the completion of the additional phases of the Project Plan (the "Amended Project Plan"). See Section II(C) for additional details regarding the Amended Project Plan.

Tax Increment Financing Obligations

To finance all or a portion of the costs of the additional phases of the Project Plan, the City proposes to issue tax increment revenue bonds or other obligations (the "TIF Obligations") in an amount not to exceed \$15,000,000, with maturities not to exceed 30 years from the date of the creation of the TIF District. The TIF Obligations may be issued from time to time in one or more series. Proceeds of the TIF Obligations are generally expected to be used to (i) finance the costs of the additional phases of the Project Plan, including architectural, engineering, legal and other professional fees and expenses; (ii) refund the 2014

Bonds; (iii) fund reserve fund(s) for the TIF Obligations; and (iv) pay costs of issuance of the TIF Obligations, including preparation and approval of this Tax Increment Financing Application and related costs. A portion of the Project Plan may also be paid on a pay-as-you-go basis directly from tax increment revenues deposited in the tax increment financing fund for the TIF District (the "TIF Fund"). To the extent all or a portion of the 2014 Bonds are not refunded from proceeds of the TIF Obligations, the TIF Obligations would be issued on a parity with or subordinate to the 2014 Bonds. The maturities of the Refunding TIF Obligations shall not exceed 30 years from the date of the creation of the TIF District.

See **Section II.E** for more detailed Financing Information and **Section II.G** for additional information on the proposed TIF Obligations.

B(1):**ESTIMATES**

Projected increase in assessed value of the taxable property in the redevelopment project area or district upon successful completion of the Project Plan:

Projected Increase in Assessed Values of the Taxable Property in the TIF District (\$)*

Tax Year (July 1)	Due (April 1)	Assessed Value Property in TIF District*
2007	(Base Year)	75,683,593
2017	(Current Year)	130,996,772
2018	2019	130,996,772
2019	2020	130,996,772
2020	2021	130,996,772
2021	2022	130,996,772
2022	2023	130,996,772
2023	2024	130,996,772
2024	2025	130,996,772
2025	2026	130,996,772
2026	2027	130,996,772
2027	2028	130,996,772
2028	2029	130,996,772
2029	2030	130,996,772
2030	2031	130,996,772
2031	2032	130,996,772
2032	2033	130,996,772
2033	2034	130,996,772
2034	2035	130,996,772
2035	2036	130,996,772
2036	2037	130,996,772
2037	2038	130,996,772

* Assessed values in the TIF District for Tax Year 2017 have been certified by the Monongalia County Assessor. Assumes no change in assessed values in the TIF District beginning Tax Year 2018.

C.

PUBLIC IMPROVEMENTS

Estimates of construction costs of the Amended Project Plan are set forth below. Such construction costs are anticipated to be funded in whole or in part from proceeds of TIF Obligations. All costs are estimates and the amounts listed are subject to change. See Attachment 2 for location of improvements described below.

Type	Estimated Cost ¹
Relocation of steam line	\$250,000
University Gateway	\$100,000
Streetscaping	\$2,650,000
Road Improvements	\$2,000,000
Property Acquisition	**
Estimated Total:	\$5,000,000

* Preliminary and subject to change. Includes professional services, including architect and engineering fees, accounting and legal fees, and other expenses associated with the public improvements. The estimated costs of improvements are for new projects and do not include any work previously bid or completed.

** CNRC intends to consider property acquisitions as properties become available. See Attachment 2 for additional information.

D.**ESTIMATED BREAKDOWN OF PROJECT COSTS**

The Estimated Breakdown of Project Costs below are anticipated to be fully financed from TIF Obligations and from Pay-As-You-Go funds from the TIF Fund (as hereinafter defined). See **Section II.G – Tax Increment Financing Obligations** and **Section II.E – Financing** for more detailed information. The table below includes estimated contingencies and professional services costs.

	Estimated Amount*	Proposed Financing Method
1. Capital Costs		
2. Financing Costs	\$ 347,780	TIF Obligations
3. Professional Services		
4. Land		
5. Relocation Costs		
6. Environmental Impact Studies		
7. Public Information		
8. Construction of Public Works	\$ 5,000,000	TIF Obligations
9. Costs of the sale/lease of City property that results in a loss to City		
10. 2014 Bonds Escrow	\$ 4,425,000	TIF Obligations
11. Reserve Fund(s)	\$ 779,220	TIF Obligations
Total Project Costs:	\$ 10,552,000	

***Notes to Items 1 through 11:**

2) Estimated Financing Costs for the TIF Obligations as provided in **Section II.G**.

3) Estimated Professional Services costs are included in Construction of Public Works.

8) See **Section II.C** for estimated breakdown of project costs.

10) Estimated proceeds of the TIF Obligations required to refund the 2014 Bonds. The escrow requirement for the 2014 Bonds includes the TIF Obligations proceeds plus transfers of approximately \$424,672 from the 2014 Bonds Debt Service Reserve Fund. See TIF Obligations attached to **Section II.G** for a breakdown of preliminary sources and uses of the TIF Obligations.

11) Reserve Fund for the TIF Obligations equal to the maximum annual debt service on the TIF Obligations as provided in **Section II.G**.

Estimated Sources, Amounts, Rates and Terms ^{(1) (2)}

To finance all or a portion of the costs of the additional phases of the Amended Project Plan, the City proposes to issue the TIF Obligations in an amount not to exceed \$15,000,000, with maturities not to exceed 30 years from the date of the creation of the TIF District. Such TIF Obligations may be issued from time to time in one or more series. Proceeds of the TIF Obligations are generally expected to be used to (i) finance the costs of the Amended Project Plan, including architectural, engineering, legal and other professional fees and expenses; (ii) refund the 2014 Bonds, (iii) fund a reserve fund for the TIF Obligations; and (iv) pay costs of issuing the TIF Obligations, including preparation and approval of this Tax Increment Financing Application and related costs. A portion of the Amended Project Plan may also be paid on a pay-as-you-go basis directly from tax increment revenues deposited in the TIF Fund. To the extent all or a portion of the 2014 Bonds are not refunded from proceeds of the TIF Obligations, the TIF Obligations would be issued on a parity with or subordinate to the 2014 Bonds. The maturities of the TIF Obligations shall not exceed 30 years from the date of the creation of the TIF District.

Sources	Amount (\$)	Interest Rate	Maturity	Anticipated Payoff	Status
TIF Obligations, Series 2017	10,552,000	4.50%	June 1, 2038	June 1, 2032 ²	Public Hearing to be held on June 20, 2017
Total					

¹ Amounts and interest rates are preliminary and subject to change based on market conditions at the time of sale of the TIF Obligations.

² The TIF Obligations are planned to be issued with a final maturity in 2038. To the extent Excess Funds (as defined in Section II.G) are used to redeem outstanding obligations, it is projected that the TIF Obligations could pay off as early as 2032.

What alternate sources of funding have been explored? Why are they unavailable for this project?

CNRC is a West Virginia nonprofit corporation created to facilitate the redevelopment and revitalization of the "Sunnyside" neighborhood in the City and has limited funds and limited access to sources of financing to undertake and complete the Project Plan. The lack of a revenue source from implementation/operation of the Amended Project Plan Improvements does not permit the City and/or CNRC to finance the Amended Project Plan without the assistance of TIF.

If TIF obligations are expected to be issued, the following information must also be included:

1. *Amount of indebtedness to be incurred:* Not to exceed \$15,000,000
2. *Other revenues to be used to finance debt (other than tax increments in the TIF Fund):* None
3. *Other monies to be deposited in TIF Fund for the development project area or district:* None
4. *If less than the full tax increment is to be used, explain how the excess will be used or distributed:*

Any principal and interest on TIF Obligations issued by the City shall be payable from the TIF Fund. Any revenues in the TIF Fund that are not: (i) used for the payment of the principal of and interest on TIF Obligations, (ii) held in reserve funds established by the issuance of TIF Obligations, (iii) held in debt service funds for the payment of capitalized interest on TIF Obligations; (iv) used to pay administrative costs and expenses in connection with the TIF District or in connection with servicing the TIF Obligations, or (v) used for approved Amended Project Plan costs within the TIF District, shall be deemed "excess funds" at the end of each fiscal year.

"Excess funds" may be used for (i) the scheduled payment of the principal of and interest on subsequent TIF Obligations, (ii) payment of accrued but unpaid debt service due to insufficient tax increment funds to make prior debt service payments on subsequent TIF Obligations, (iii) payment of annual administrative costs and expenses for servicing subsequent TIF Obligations, (iv) funding for "pay as you go" projects in the TIF District approved in a Project Plan or Project Plans pursuant to the Act, (v) distribution into current funds of the appropriate levying bodies, (vi) retention in the TIF Fund for approved future project costs and/or debt service relating to the issuance of additional tax increment revenue bonds and/or (viii) all other purposes for which TIF Fund monies may be expended pursuant to the Act. To the extent that excess funds are not used for any of the purposes set forth in this paragraph, such excess funds shall be used for early repayment of outstanding TIF Obligations in accordance with the terms thereof.

5. *Terms for early repayment of the TIF Obligations:*

The City plans to issue TIF Obligations in one or more series with a final maturity not greater than 30 years from the date of the creation of the TIF District. Upon payment in full of the outstanding principal of, interest on and redemption premium, if any, on the TIF Obligations and all administrative or annual expenses related to the TIF Obligations and/or the TIF District, the City may dissolve the TIF District; provided, however, that if the City has approved a Project Plan or Project Plans subsequent to the issuance of the TIF Obligations, the TIF District shall not be dissolved prior to its statutorily mandated termination until the obligations created on the TIF Fund by such Project Plan or Project Plans have been fulfilled.

6. *Attach a letter from a bond counsel and/or financial underwriter stating that the proposed project could support tax increment financing bonds or other obligations and the terms and conditions of such offering.*

Investment Banker: Piper Jaffray & Co.
Address: 405 Capitol Street, Suite 613
Charleston, West Virginia 25301
Telephone: (304) 343-7101
Email: joseph.e.nassif@pjc.com

A letter prepared by Piper Jaffray & Co., Investment Bank for the City is provided in **Attachment 11** stating that the TIF District could support the issuance of TIF Obligations within the limitations and subject to the assumptions stated therein.

Attachment 10:

Analysis showing the fiscal impact on each local levying body. The analysis will consider the costs incurred by the local levying bodies and how those costs will be offset/funded. Possible costs include the effect on schools, public services, utilities, etc.

Preliminary Cost/Benefit Analysis

The property tax increment from current levies from the State, the City, the County and the Board of Education will be deposited in the TIF Fund. The benefits and costs on levying bodies as a result of current and planned development within the TIF District are highlighted in the table below.

Benefits and Costs		State	City	County	Board of Education
Benefits:					
	Excess Levy	No	No	Yes	Yes
	B/O taxes	No	Yes	No	No
	Jobs / Economic Development	Yes	Yes	Yes	Yes
	Excess Funds ¹	Yes	Yes	Yes	Yes
Costs :					
	Water / Sewer / Stormwater	No	Yes	No	No
	Roads	Yes	Yes	No	No
	Fire / Police	No	Yes	No	No
	Trash	No	Yes	No	No
	Education	No	No	No	No

¹ There will be a benefit to the levying bodies to the extent Excess Funds are available in the TIF Fund and if such funds are paid to the appropriate levying body. The tax increment will also be distributed to the levying bodies upon the termination of the TIF District.

Current Class II and Class IV Levy Rates for the State, the City, the County and the Board of Education**Tax Year 2016**

Levying Body	Class II	Class IV
State	0.50	1.00
City	25.00	50.00
County	24.00	48.00
School	<u>38.80</u>	<u>77.60</u>
Total	88.30	176.60

School Aid Formula

The Board of Education current levy is set, statewide, by the Legislature. Public schools also are funded by the school aid formula that allows a certain dollar amount per pupil. For purposes of the local share calculation in the school aid formula, the aggregate incremental assessed value is not included. As the school boards are not charged for the tax increment, the state aid to schools formula makes up the difference. Therefore, the Project Plan does not have a negative effect on funding that is made available to the Board of Education.

Estimated Increase In Tax Collections from Current Levy Rates after Expiration of the TIF District

Much of the development in the TIF District is expected to have a life of over 30 years. After the expiration of the TIF District, the four current property tax levies will be paid to the levying bodies. Anticipated tax collections for the TIF District for Tax Year 2037, when compared to taxes collected for Tax Year 2007, represent an increase of \$5,374 to the State, \$268,696 to the City, \$257,948 to the County, and \$417,016 to the Board of Education. The estimated increase is based on the current levy rates for Tax Year 2016. Note that the foregoing estimates do not include any inflation factor.

Estimated Increase in Excess Levy Tax Collections

The estimated increase in excess levies paid to the County and Board of Education are as follows:

Tax Year 2016	Class II	Class III/IV
County Excess Levy	5.24	10.48
School Excess Levy	33.98	67.96

The estimated increase in excess levies paid to the County and the Board of Education based on the estimated taxable incremental property value in the TIF District as provided in Section II.B(1) and Section II.G is as follows:

Tax Year	Tax Due Date (April 1)	County (\$)¹	Board of Education (\$)¹
2017	2018	51,013	359,906
2018	2019	50,907	359,800
2019	2020	50,798	359,691
2020	2021	50,688	359,581
2021	2022	50,575	359,468
2022	2023	50,460	359,353
2023	2024	50,343	359,236
2024	2025	50,224	359,117
2025	2026	50,102	358,995
2026	2027	49,977	358,870
2027	2028	49,851	358,744
2028	2029	49,721	358,614
2029	2030	49,589	358,482
2030	2031	49,455	358,348
2031	2032	49,317	358,210
2032	2033	49,177	358,070
2033	2034	49,035	357,928
2034	2035	48,889	357,782
2035	2036	48,740	357,633
2036	2037	48,589	357,482
2037	2038	48,434	357,327

¹ Based on the "PROJECTION OF NET PROPERTY TAX INCREMENT" attached to Section II.G – TIF Obligations.

B(2): ESTIMATES

Number of jobs to be created by this project in the project area or district. Estimated jobs are as follows:

Estimated Job Creation within the TIF District

Job Category:	Professional	Clerical/ Administrative	Skilled	Semi-Skilled	Unskilled
Wages:	\$75-\$150K	\$25-\$75K	\$40-\$75K	\$20-\$40K	\$15-\$20K
Benefits:	Benefits will be provided consistent with industry standards.				

All projects will be either constructed by full-time and/or part-time contract employees or bid for laborers, equipment operators, carpenters, concrete finishers, truck drivers, etc. These jobs will have reasonable expectations of producing retaining and/or contributing to approximately 82 jobs within the classes previously mentioned.

SECTION II.

PROJECT INFORMATION

Attachment 3

p 1

DETAILED DESCRIPTION OF PROJECT

Include a description of how the project fits with the overall development plans for the Redevelopment District or the overall development plans of the City, county, or region.

The TIF District

The proposed TIF District includes certain properties located in and near the "Sunnyside" district of The City of Morgantown, Monongalia County, West Virginia. A map and boundary description of the proposed TIF District and property description are provided in Attachment 1. A public hearing has been scheduled for September 16, 2008, before the City Council in order for the City to entertain public comments on the proposed creation of the TIF District. If following such public hearing the City wishes to proceed to establish the TIF District, the City may do so by ordinance duly enacted following approval by the West Virginia Development Office. The purpose of the TIF District would be to eliminate blight in an aging portion of the City by improving public infrastructure within the TIF District in an effort to attract new investments in the redevelopment of the land and properties within the TIF District and surrounding areas within the City.

The Sunnyside Up - TIF Project Plan is the result of several years of studying the area and visioning with local businesses and citizens and the development of the Sunnyside Up Comprehensive Revitalization Plan, as updated in 2007, by the Campus Neighborhoods Revitalization Corporation. A great deal of research, evaluation, studies, and collaboration has produced a quality redevelopment and revitalization plan for the Sunnyside Up area of Morgantown (see Section III: Attachment 8).

The deteriorating condition of certain parts of the Sunnyside area has become a hindrance to the overall desire to live and work in the City. The implementation and execution of the Sunnyside Up - TIF Project Plan serve to complement the overall goals of the Sunnyside Up Revitalization plan and the goals and future of The City of Morgantown. The real property within the TIF District and the citizens and student residents of The City of Morgantown will benefit from the elimination of and prevention of the spread of blighted and deteriorated areas, increasing employment opportunities and encouraging commerce, private investment and citizens and students to remain and relocate to the area. In addition, the real property and citizens within the TIF District will benefit in the form of public improvements from funds to be generated and captured in the tax increment financing fund (the "TIF Fund") over the 30-year life of the TIF District.

The infrastructure, multi-modal transit station facility, roadway and streetscape improvements, combined with the anticipated new development within the proposed TIF District will attract new private investment, businesses and additional housing facility options to the City and provide new employment opportunities within the City. These improvements will include water lines, storm water management culverts and facilities, sanitary sewer lines, road improvements, streetscape systems, traffic control, pedestrian ways and systems, multi-modal transit station facility, utility relocations, lighting and related infrastructure, land and right-of-way acquisition, demolition and site preparation necessary for and incidental to the construction/installation of public infrastructure improvements.

The TIF Project

The City of Morgantown proposes to develop/construct/install certain projects (the "TIF Projects") within the TIF District, which TIF Projects may be acquired and constructed in several phases. The TIF Projects include the following public improvements: water lines, storm water management culverts and facilities, sanitary sewer lines, road improvements, streetscape systems, traffic control, pedestrian ways and systems, multi-modal transit station facility, utility relocations, lighting and related infrastructure, land and right-of-way acquisition, demolition and site preparation necessary for and incidental to the construction/installation of public infrastructure improvements (see Section III.C for more detailed information).

Tax Increment Financing Obligations

Attachment 3

P 2

To finance the TIP Projects, the City proposes to use a combination of available tax increment funds to directly finance the costs of the TIP Projects, including architectural, engineering, legal and other professional fees and expenses on a pay-as-you-go basis and to issue tax increment revenue bonds or other obligations (the "Tax Increment Financing Obligations"), from time to time, in an aggregate amount not to exceed \$8,000,000, with maturities not to exceed 30 years from the date of the creation of the TIP District. Such obligations may be issued from time to time in one or more series. Proceeds of the Tax Increment Financing Obligations are generally planned to be used to (i) finance a portion of the costs of the Projects, including architectural, engineering, legal and other professional fees and expenses; (ii) fund reserves for the obligations; (iii) fund capitalized interest on the obligations, and (iv) pay costs of issuance of the obligations and related costs. To the extent that tax increment funds are available, all or portions of the TIP Projects may be financed directly with such tax increment funds. See Section II.E for more detailed Financing information and Section II.G for additional information on the proposed TIP Obligations.

ESTIMATES

Projected increase in value of the taxable property in the Redevelopment District upon successful completion of the project plan:

The estimated increase in the taxable value of property in the TIF District is provided in the table below. The Estimated Appraised Value is provided in greater detail in the Tax Increment Financing Projections analysis attached to Section II.G - Tax Increment Obligations.

Year	Class I	Class IV	Total
2008 (Base)	0	0	0
2009	0	10,075,000	10,075,000
2010	0	14,677,250	14,677,250
2011	0	35,117,568	35,117,568
2012	0	54,321,095	54,321,095
2013	0	67,950,727	67,950,727
2014	0	69,989,249	69,989,249
2015	0	72,088,927	72,088,927
2016	0	74,251,594	74,251,594
2017	0	76,479,142	76,479,142
2018	0	78,773,517	78,773,517
2019	0	81,136,722	81,136,722
2020	0	83,570,824	83,570,824
2021	0	86,077,948	86,077,948
2022	0	88,660,287	88,660,287
2023	0	91,320,095	91,320,095
2024	0	94,059,698	94,059,698
2025	0	96,881,489	96,881,489
2026	0	99,787,934	99,787,934
2027	0	102,781,572	102,781,572
2028	0	105,865,019	105,865,019
2029	0	109,040,970	109,040,970
2030	0	112,312,199	112,312,199
2031	0	115,681,565	115,681,565
2032	0	119,152,012	119,152,012
2033	0	122,726,572	122,726,572
2034	0	126,408,369	126,408,369
2035	0	130,200,620	130,200,620
2036	0	134,106,639	134,106,639
2037	0	138,129,838	138,129,838

*The TIF Projects are designed to benefit the residents of The City of Morgantown and to generate economic development and growth. The projects are not intended to benefit any specific developer or private development/project. The projected increases in appraised values assume an annual inflation rate of 3.0% beginning T.Y. 2010 for tax years as shown in the following table:

Property Class	Amount	Tax Year
IV	\$10,075,000	2009
IV	\$4,300,000	2010
IV	\$20,000,000	2011
IV	\$18,150,000	2012
IV	\$12,000,000	2013
Total	\$64,525,000	

PUBLIC IMPROVEMENTS

The TIF Projects are expected to include the following public improvements: water lines, storm water management culverts and facilities, sanitary sewer lines, road improvements, streetscape systems, traffic control, pedestrian ways and systems, multi-modal transit station facility, utility relocations, lighting and related infrastructure, land and right-of-way acquisition, demolition and site preparation necessary for and incidental to the construction/installation of public infrastructure improvements. Estimated totals include professional services fees, including architectural, engineering and consulting fees and construction contingency.

Public Improvements	Estimated Total
Roadways/Alleyways and Pedestrian Systems	\$1,114,485
Multi-Modal Transit Station Facility	\$500,674
Water/Sewer/Storm Water/Utility Improvements and Relocations	\$3,884,961
TOTAL	\$5,500,000

* Please refer to Attachment 2 for a specific identification of proposed location of public improvements.

ESTIMATED BREAKDOWN OF PROJECT COSTS

The Estimated Breakdown of Project Costs below is anticipated to be fully financed from Pay-As-You-Go funds from the TIF Fund and tax increment revenue bonds ("TIF Bonds"). See Section II.G - Tax Increment Obligations and Section II.E - Financing for more detailed information.

1. Capital Costs	\$ 0
2. Financing Costs	\$ 387,584
3. Professional Services	\$ (see footnote)
4. Land	\$ 0
5. Relocation Costs	\$ 0
6. Environmental Impact Studies	\$ 0
7. Public Information	\$ 0
8. Construction of Public Works	\$ 5,500,000
9. Costs of the sale/lease of City property that results in a loss to City	\$ 0
10. TIF Bonds Capitalized Interest	\$ 1,116,053
11. TIF Bonds Reserve Funds	\$ 476,363
Total Project Cost:	\$ 7,680,000

Notes to Items 1 through 11:

- 2) Estimated Financing Costs for the TIF Bonds as provided in Section II.G
- 3) Estimated Professional Services costs are included in Construction of Public Works.
- 8) See Section II.C for estimated breakdown of costs
- 10) Estimated Capitalized Interest on the TIF Bonds as provided in Section II.G
- 11) Estimated Reserve Funds for the TIF Bonds as provided in Section II.G

FINANCING

Estimated Sources, Amounts, Rate and Term (1)

To finance the TIF Projects, the City proposes to pay the costs and expenses of the TIF Projects on a pay-as-you-go basis from tax increment revenues in the TIF Fund and/or to issue TIF Obligations with maturities not to exceed 30 years from the date of the creation of the TIF District. Such obligations are planned to be issued in one or more series. TIF Funds may also be used for the payment of accrued but unpaid debt service, if any, due to insufficient TIF Funds to make prior debt service payments. To the extent that tax increment funds are available, portions of the Projects may be financed on a "pay-as-you-go" basis directly with such funds. To the extent the Project is deemed feasible the city could issue bonds, in an aggregate principal amount not to exceed \$8,000,000, to finance the costs of the TIF Projects and to pay costs in connection with the issuance of such TIF bonds.

Source	Amount	Interest Rate	Anticipated Payoff	Status
Series 2009 TIF Bonds	\$7,680,000	7.25%	2029 (2)	Public Hearing on TIF Project and TIF District scheduled.
Total	\$7,680,000			

- (1) Amounts and interest rates are preliminary and subject to change based on market conditions at the time of sale of the TIF Bonds.
- (2) The TIF Bonds are planned to be issued with a final maturity in 2038. To the extent Excess Funds (as defined in Section II.G) are used to redeem outstanding bonds, it is projected that the TIF Bonds could payoff as early as 2029.

ALTERNATE FUNDING

p. 7

What alternate sources of funding have been explored? Why are they unavailable for this project?

Both The City of Morgantown and the Developer have made every attempt to finance the TIF Projects using alternate sources of funding. The Project Developer is a West Virginia nonprofit corporation created to facilitate the redevelopment and revitalization of the "Sunnyside" district of the City and has limited funds and limited access to sources of financing to undertake and complete the proposed TIF Project Plan. The Developer and the City have explored various mechanisms of funding over more than five years to undertake necessary public infrastructure improvements within the proposed TIF District, but have been unsuccessful in identifying and securing such funding. The lack of a revenue source from implementation/operation of the Project Plan improvements has made it prohibitive for the City and/or the Developer to finance the proposed TIF Project Plan without the assistance of TIF funding.

TIF funding is the last resort for completing these vital infrastructure projects within the City because it is not efficient to wait for other sources of funding. TIF funding will allow for these projects to be completed simultaneously and most efficiently, which is necessary for the completion of these infrastructure improvements. Simultaneous project completion is the most efficient and inexpensive process for the construction of roadway improvements, utility relocations and upgrades, improving water, sewer and storm water lines and facilities, and completing related streetscape. The development, and, thus, the effort to eliminate the blight in this district of the City is dependent on tax increment financing to create the conditions and construct the public infrastructure necessary to enable private investment in the City and the TIF District.

TAX INCREMENT FINANCING OBLIGATIONS

If TIF obligations are expected to be issued, the following information must also be included:

1. Maximum aggregate amount of TIF indebtedness that may be incurred: Not to exceed \$8,000,000 (see attached)
2. Other revenues to be used to finance the debt (other than tax increments in the TIF Fund): N/A
3. Other monies to be deposited in TIF Fund for the Redevelopment District: N/A
4. If less than the full tax increment is to be used for debt service payments or directly for TIF Project costs and expenses on a pay-as-you-go basis, explain how the excess will be used or distributed:

Any principal and interest on tax increment financing obligations ("TIF Obligations") issued by the City shall be payable from the tax increment financing fund ("TIF Fund") established for the TIF District. Any revenues in the TIF Fund that are not: (i) used for the scheduled payment of the principal of and interest on TIF Obligations, (ii) used for the payment of accrued but unpaid debt service due to insufficient TIF funds to make prior debt service payments, (iii) held in reserve funds established by the issuance of TIF Obligations, (iv) used for annual expenses for servicing the TIF Obligations, or (v) used for approved TIF Project costs within the TIF District on a pay-as-you-go basis, shall be deemed "excess funds" at the end of each fiscal year.

"Excess funds" may be used for (i) the scheduled payment of the principal of and interest on additional TIF Obligations, (ii) payment of accrued but unpaid debt service due to insufficient TIF funds to make prior debt service payments on additional TIF Obligations, (iii) funding reserve funds established by the issuance of additional TIF Obligations, (iv) payment of annual expenses for servicing additional TIF Obligations, (v) funding for additional TIF Projects in the TIF District approved in a Project Plan or Project Plans pursuant to the Act, (vi) distribution into current funds of the appropriate levying bodies, (vii) retention of funds for approved TIF Projects, and/or (viii) all other purposes for which TIF Fund monies may be expended pursuant to the Act. To the extent that Excess Funds are not used for any of the purposes set forth in this paragraph, such excess funds shall be used for early repayment of outstanding TIF Obligations in accordance with the financing terms therefore.

5. Terms for early repayment of the TIF obligations:

The City plans to issue TIF Bonds in one or more series with an initial final maturity 30 years from the date of the creation of the TIF District. The City anticipates that the TIF Bonds would be callable within 10 years or less from the date of issuance. Upon payment in full of the outstanding principal of, interest on and redemption premium, if any, for the TIF Bonds and all administrative or annual expenses related to the TIF Bonds and/or the TIF District, the City shall dissolve the TIF District; provided, however, that if the City has not completed all of the approved TIF Projects set forth in this application or has approved a new Project Plan or Project Plans subsequent to the issuance of the TIF Bonds, the TIF District shall not be dissolved until the obligations created on the TIF Fund by such Project Plan or Project Plans have been fulfilled.

6. Attach a letter from a bond counsel and/or financial underwriter stating that the proposed project could support tax increment financing bonds or other obligations and the terms and conditions of such offering.

Letters prepared by Stoptes & Johnson, PLLC, Bond Counsel to the project, and Raymond James & Associates, Inc., Underwriter to the project, are provided in Attachment 17 stating that the TIF Project could support the issuance of TIF Bonds.

Attachment 16:

Analysis showing the fiscal impact on each local levying body. The analysis will consider the costs incurred by the local levying bodies and how those costs will be offset or funded. Possible costs include the effect on schools, public services, utilities, etc.

Preliminary Cost/Benefit Analysis

The tax increment from current levies from the State, the City, the County, and Board of Education (the "Board of Education") will be deposited in the TIF Fund. The benefits and costs on levying bodies as a result of current and planned development within the TIF District are highlighted in the table below.

Benefits and Costs	City	County	Board of Education
Benefits:			
Excess Levy	No	No	Yes
B/O taxes	Yes	No	No
Jobs / Economic Development	Yes	Yes	Yes
Excess Funds (1)	Yes	Yes	Yes
Costs :			
Water / Sewer / Stormwater	Yes	No	No
Roads	Yes	No	No
Fire / Police	Yes	No	No
Trash	Yes	No	No
Education (2)	No	No	Yes

- (1) There will be a benefit to the levying bodies to the extent Excess Funds are available in the TIF Fund and if such funds are paid to the appropriate levying body.
- (2) The proposed development in the TIF District should result in minimum costs to the County and the Board of Education.

School Aide Formula

The Board of Education current levy is set, statewide, by the Legislature and is currently: Class I: 19.40 cents/\$100; Class II: 38.80 cents/\$100; and Class III & IV: 77.60 cents/\$100. Public schools also are funded by the school aide formula that allows a certain dollar amount per pupil. For purposes of the local share calculation in the school aide formula, the aggregate incremental assessed value is not included. As the school boards are not charged for the tax increment, the state aide to schools formula makes up the difference. Therefore, TIF's do not have a negative effect on funding that is made available to the local Boards of Education.

Public School Bonds

The Board of Education has outstanding general obligation bond debt. As the projected assessed property values increase in the TIF District, taxpayers benefit because the same amount of money raised by taxes is being spread among more people/businesses paying taxes.

Estimated Increase in Tax Collections from Current Levy Rates after Expiration of the TIF District

Much of the development in the TIF District is expected to have a life of over 30 years; consequently the three property tax levies (Current School, City, County and State) will revert back to these levying bodies. Tax collections for 2037-38, when compared to taxes collected for fiscal year 2008-09, represent an increase of \$393,670 in taxes paid to the City, \$369,735 to the County, \$610,976 to the Board of Education and \$7,873 to the State based on Tax Year 2008 levy rates.

KEY FINDINGS AND ESTIMATES

Number of jobs to be created by this project in the Redevelopment District. Estimated jobs are as follows:

Estimated Job Creation within the TIF District

<u>Job Category</u>	<u>Professional</u>	<u>Clerical/Admin</u>	<u>Skilled</u>	<u>Semi-skilled</u>	<u>Unskilled</u>	<u>Totals</u>
<u>Wages</u>	<u>\$75-\$150K</u>	<u>\$25-\$75K</u>	<u>\$40-\$75K</u>	<u>\$20-\$40K</u>	<u>\$15-\$20K</u>	
Construction Jobs	4	5	15	20	16	60
Permanent Jobs	1	2	4	5	10	22
Subtotal	5	7	19	25	26	82
Benefits		[All: Industry Standard]				

Job Creation within the Boundaries of the TIF Project Plan Area

The TIF Projects will be funded from a combination of pay as you go tax increment funds and the proceeds of the TIF Obligations. These constitute the TIF Projects in the Project Plan and they will continue to generate jobs both during the construction of and after the revitalization project is complete.

8) Contracts made incidental to the implementation and furtherance of a development/redevelopment Project:

Herbert, Rowland & Grubic, Inc. (HRG) – Phase III engineering study and project design professional services

Green River Group – Contractor for Phase IIIA of the construction work

Morgantown Utility Board – Phase IIIA includes the replacement of waterlines, sanitary sewer mains, and fire hydrants and includes modifications to the sanitary sewer services/cleanouts and to existing water services/water meter pits.

Frontier Communications – Phase IIIA relocation of utility poles.

Mon Power – Phase IIIA relocation of utility poles.

Parrotta Paving – Contractor for the construction of the sidewalk on Beechurst Avenue between 4 ½ Street and 5th Street.

Monco Constructors – Contractor for the construction of the 8th Street Trailhead.

16) Status of the development/redevelopment project:

The Sunnyside Up Tax Increment Financing District was approved by the West Virginia Development Office (WVDO) in 2008. In 2010, the sale of \$1,700,000 in TIF bonds to begin the first phase of the Sunnyside Up Project Plan Phase One was completed. The construction, which included new sidewalks, bus stops, plaza area and street lighting was completed in 2011.

The City of Morgantown, in cooperation with Sunnyside Up-Campus Neighborhoods Revitalization Corporation completed the Second Phase of the Project Plan. Phase II projects completed include: 1) the redesign of a segment of University Avenue at Beverly Avenue and Third Street; 2) a study to assess the condition of the sidewalks throughout the TIF district, 3) a streetscape for Third Street in conjunction with a study to make Third Street an arterial way between Beechurst Avenue and University Avenue.

Tax Increment Revenue and Refunding Bonds, Series 2014 were issued in the amount of \$5,191,000 on December 18, 2014 to finance Phase II and refund the 2010 bonds.

After receiving approval from the WVDO in 2017, The City of Morgantown, in cooperation with Sunnyside Up-Campus Neighborhoods Revitalization Corporation started the Third Phase of the Project Plan. Phase III has been broken into two sub-phases. The first subphase, Phase IIIA, is a streetscape project, including roadway and alleyway improvements, relocation of utilities, lighting, sidewalk and drainage improvements, and dumpster enclosures. This phase is currently in construction and is anticipated to be completed by Fall 2019. The second subphase, Phase IIIB, includes an intersection upgrade and the University/Neighborhood Gateway at 6th Street and Beverly Avenue. This phase is anticipated to go out to bid in early 2020. Additionally, property acquisitions will be considered as properties become available.

Subordinate Tax Increment Revenue Bonds, Series 2017 were authorized in the aggregate principal amount of \$7,146,000 on December 27, 2017 issuable in denominations of \$100,000 with a draw down period concluding on December 27, 2020.